Exploring and enhancing Bangladesh-India Bilateral Trade and Investment
<table>
<thead>
<tr>
<th></th>
<th>Bangladesh</th>
<th>India</th>
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<tbody>
<tr>
<td>Area</td>
<td>147,570 km²</td>
<td>3.287 million km²</td>
</tr>
<tr>
<td>Population</td>
<td>156,186,882 (July 2016 est.)</td>
<td>1,266,883,598 (July 2016 est.)</td>
</tr>
<tr>
<td>Inflation rate</td>
<td></td>
<td></td>
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<tr>
<td>Population below poverty line</td>
<td></td>
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<tr>
<td>Unemployment rate</td>
<td></td>
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<tr>
<td>Reserves of Foreign Exchange</td>
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Why Bangladesh?

• Misconceptions about Bangladesh are truly misconceptions
• Bangladesh’s Transformation
• All impressive achievements
• Large financial market, affluent middle class, blooming private sector
Bilateral Trade

India is likely to be the largest trading partner of Bangladesh in the near future. Currently, the volume of bilateral trade between India and Bangladesh is about $6.6 billion; there are estimates that the trade potential is at least four times the present level.
Bangladesh’s Export to India

<table>
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<tr>
<th>Year</th>
<th>Export (000 US$)</th>
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<tbody>
<tr>
<td>2009-10</td>
<td>304.62</td>
</tr>
<tr>
<td>2010-11</td>
<td>512.5</td>
</tr>
<tr>
<td>2011-12</td>
<td>498.4</td>
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<tr>
<td>2012-13</td>
<td>563.96</td>
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<tr>
<td>2013-14</td>
<td>456.63</td>
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<tr>
<td>2014-15</td>
<td>527.16</td>
</tr>
<tr>
<td>2015-16</td>
<td>689.62</td>
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<tr>
<td>2016-17</td>
<td>672.4</td>
</tr>
<tr>
<td>2017-18</td>
<td>900</td>
</tr>
<tr>
<td>2018-19</td>
<td>1250</td>
</tr>
</tbody>
</table>
Bangladesh's Exports to India - Major Commodities during FY 2015-16 (July-June)
(Value in USD million)

- Vegetable textile fibres nes, paper yarn, woven fabric: 203.0, 29%
- Articles of apparel, accessories, not knit or crochet: 168.6, 24%
- Other made textile articles, sets, worn clothing etc: 102.2, 15%
- Articles of apparel, accessories, knit or crochet: 72.4, 11%
- Wadding, felt, nonwovens, yarns, twine, cordage, etc: 34.3, 5%
- Animal, vegetable fats and oils, cleavage products, etc: 22.3, 3%
- Lead and articles thereof: 21.3, 3%
- Edible fruit, nuts, peel of citrus fruit, melons: 18.4, 3%
- Cotton: 18.2, 3%
- Inorganic chemicals, precious metal compound, isotopes: 14.9, 2%
- Others: 14.1, 2%
Bangladesh’s import from India

Amount million US$

Axis Title

Axis Title


3202.1  4560  4743.3  4776.1  6034.8  5816.9  5452.9  6400  8400  9400
Bangladesh’s Import From India

In 2017-18 FY, import of Bangladesh from India was to the tune of USD 8.6 billion USD. Major import items were:

Cotton, yarn, thread and fabric; vehicles; nuclear reactors boilers, machinery & mechanical appliances; Food industries residues, waste and animal fodder; Vegetables including roots and tubers; electrical machinery, parts and electronics; Iron & Steel; Plastic and plastic articles; Organic chemicals; Tanning and dyeing extracts, pigments and colouring materials & ink; mineral fuel, oil & bitumen; misc. chemicals products; coffee, tea, mate & spices; Salts, sulphur, earths & stones, plasters, lime & cement; aluminium & aluminium products; fruits, nuts, staple fibres, Engg products; Railway & tramway locomotives, parts & mechanical equipment; paper, paperboard & pulps; inorganic chemicals, compounds of precious metals, radioactive elements & isotopes etc; Ores, slags & ash; cosmetics & toiletries; sugar & sugar confectionery; preparations of cereals, flours, starch etc; Misc commodities.
Institutional frameworks for facilitating bilateral trade

1. Bilateral Trade Agreement
2. South Asian Free Trade Area (SAFTA)
3. Agreement on Promotion and Protection of Investments
4. Bangladesh and India have granted each other Most Favored Nation (MFN) status.
5. Double Taxation Avoidance Agreements (DTAA)
6. Protocol on Inland Waterways Trade and Transit (PIWTT)
7. Coastal Shipping Agreement
8. MoU on the Use of Chittagong and Mongla Ports for Movement of Goods to and from India
9. Road, Rail and Air Connectivity
10. Border Haats
Potential Sectors for Co-operation and Investment

- Energy and Power;
- Urban infrastructure;
- Manufacturing;
- Transportation (both land and waterways);
- Border infrastructure;
- Information and communication technology and Business Services;
- Agribusiness and Food Processing;
- Tourism;
- Warehousing and cold storage facilities;
- Education services and skill development.
- Pharmaceutical sector
- Garments and textiles
- Shipbuilding
Investment Opportunities for Indian Entrepreneurs

- Bangladesh Prime Minister Sheikh Hasina invited Indian companies to invest in the country’s infrastructure sector that requires investments of about $20 billion a year till 2030, promising to exclusively dedicate at least three of the 100 proposed special economic zones in the country for Indian investors; two have already been earmarked.
Road Map to invest in Bangladesh
Indian investments in Bangladesh

Total Indian investments in Bangladesh registered with the Bangladesh Investment Development Authority are worth more than $3 billion. Companies such as Tata Motors, Hero MotoCorp, Sun Pharma, Godrej, VIP, CEAT Tyres, Dabur, Airtel, Aditya Birla Cement etc., have set up or are establishing their manufacturing facilities in the country. There is great potential in Bangladesh for further investments from India. Adding to this are investment proposals made by Reliance, Adani and NTPC Vidyut Vypar Nigam in Power Sector. Bangladesh has also offered India two sites for setting up economic zones, exclusively for Indian companies.
Challenges

• Non-tariff measures/barriers in countries, excessive bureaucracy;
• Weak trade facilitation and customs inefficiencies;
• Mutual recognition of standards and certifications;
• Developing physical and institutional infrastructure;
• Lack of market access issues;
• Visa.
Infrastructural bottlenecks affecting Indo - Bangladesh trade

- Lack of adequate border infrastructure;
- Irregular and inadequate supply of electricity
- Lack of adequate infrastructure facilities at the Petrapole/Benapole Border;
- Poor road - rail connectivity and lack of alternative transport options;
- Limited air cargo and container service, inadequate Land Border Stations;
- Inadequate warehousing, cargo handling equipments, customs and immigration facilities, and means of communication, etc.
Initiatives for cross-border trade

• Joint Working Groups on Trade and Customs;

• Signing of Standard Operating Procedure (SOP) for movement of vehicles;

• Opening of border Haats.
Trade through facilitation of transit and transhipment

• BBIN

• Nepali cargo enjoyed transit through railway through Bangladeshi territory under railway transit agreement;

• Allowing extensive transit and trans-shipment facility to import and export traffic to and from all the South Asia sub-regional countries through all modes of transports, e.g. road, rail and river.
Gains from bilateral trade between India-Bangladesh

Bangladesh and India would both gain by opening up their markets to each other. Indian investments in Bangladesh will be very important for the latter to ramp up its exports.
Key Issues to further India-Bangladesh Economic Relations

• More research and development, transfer of technologies, market based effective price system and appropriate incentive mechanisms;

• To develop the technological capacity building, huge investments are required.
Useful addresses for trade and business queries in Bangladesh

- **Bangladesh Trade Portal**: https://www.bangladeshtradeportal.gov.bd/
- **Bangladesh Investment Development Authority (BIDA)**: www.boi.gov.bd/
- **Bangladesh Export Processing Zones Authority (BEPZA)**: www.bepza.gov.bd/
- **Department of Immigration and Passports (DIP)**: www.dip.gov.bd/
- **Federation of Bangladesh Chamber Commerce and Industries (FBCCI)**: www.fbcci-bd.org/
- **Dhaka Chamber of Commerce and Industries (DCCI)**: https://www.dhakachamber.com/
- **Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka**: www.mccibd.org/
- **India-Bangladesh Chamber of Commerce and Industry (IBCCI)**: www.ibcci.net/
- **Ministry of Finance**: https://www.mof.gov.bd/
- **Bangladesh Bank**: https://www.bb.org.bd/
- **National Board of Revenue (NBR)**: nbr.gov.bd/
- **Ministry of Commerce**: http://www.mincom.gov.bd/
- **Export Promotion Bureau (EPB)**: www.epb.gov.bd/
Bangladesh Deputy High Commission in Mumbai as a partner

• Always open for answering all of your queries, matchmaking, arranging B2B meetings on request, arranging briefing, providing exclusive information and guidelines on trade and commerce.

• Bridge between you and Bangladesh. DHC’s approach towards support and assistance is reactive, companies have to ask the DHC.
Visa Requirements for Investors and Businessman

• Covering Letter
• Invitation Letter Passport in original (Valid for six months from the date of return)
• Visa application form duly filled and signed by the applicant
• 2 Passport size photographs with white background
• Photocopy of the first and last page of the passport.
• Proof being a businessman/Certificate of Incorporation
Looking forward to receiving you in Bangladesh.

• Email: dhc.mumbai@mofa.gov.bd
• Cell no: +91 9930075026

Bangladesh Deputy High Commission, Mumbai